

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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BY ELECTRONIC MAIL

April 15, 2020

Mr. Omar J. Marrero Díaz, Esq.
Executive Director
Puerto Rico Fiscal Agency and
Financial Advisory Authority
Governor's Representative and Ex-Officio Member

Dear Mr. Marrero Díaz:

Since press reports first appeared on April 5, 2020 regarding the Government's attempt to purchase COVID-19 test kits from Apex General Contractors LLC, we have been trying to obtain information on this and other transactions. In furtherance of these efforts, we wrote to you on April 6, April 9 and April 12, 2020, and other than documentation regarding the Apex contract and cancellation and reimbursement of amounts thereunder, the additional requested information has not been forthcoming regarding authorization and approvals within the procurement and decision-making process. In your latest letter, you state that "the Board's broad request for 'any communications' related to medical supply contracting efforts places unnecessary financial and administrative burdens on the Government during a global emergency," and offer to make available certain government officials for an oral explanation of the situation.

It appears that these transactions were entered under Executive Orders issued in light of the past earthquakes and the current health emergency, which purport to exempt the Executive Branch from the requirements of government contracting processes. As you know, we were clear in our correspondence reviewing these Executive Orders that exempting the Executive Branch from the requirements of established procedures for government contracting had to be consistent with principles of fiscal governance, accountability and internal controls in order to alleviate concerns of fraud, waste and abuse, and that there had to be processes in place to assure transparency and fiscal responsibility.

Accordingly, we must insist on receiving the information requested in our letter of April 12, 2020. While we appreciate the difficult circumstances under which all of us are operating, this is a matter of utmost importance to our mandate and to the interests of the people of

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Puerto Rico. We urge you to provide the requested information on a voluntary basis no later than April 20, 2020 to avoid unnecessary and costly judicial processes.

For your convenience, the information required by the Board is the following:

1. Any contracts, including, but not limited to purchase orders, that have not been submitted to the Oversight Board, whether under our Policy or under Executive Order 2020-24. As of this date, the Oversight Board has only received copies of professional services contracts from the Puerto Rico Innovation and Technology Service and the Administration of Mental Health and Addiction Services. For example, we have not received copies of documentation regarding purchases from 313 LLC, another entity reportedly contracted by the Government for the purchase of medical supplies.
2. With respect to the contract and related purchase order for Promedical COVID-19 test kits between the Puerto Rico General Services Administration and Apex General Contractors LLC, please submit any written communications related to the procurement and purchase process, whether electronic or otherwise, regarding the negotiation, execution and performance thereof.

We look forward to working together for the benefit of the people of Puerto Rico.

Sincerely,



Natalie A. Jaresko

CC: Honorable Wanda Vázquez Garced